

# ITEL

January 6, 1987

RECORDATION NO. 9353C

Filed & Recorded

**IteI Rail Corporation**

55 Francisco Street  
San Francisco, California 94133  
(415) 984-4000

JAN 12 1987 3:40 PM

INTERSTATE COMMERCE COMMISSION

Hon. Noreta R. McGee  
Secretary  
Interstate Commerce Commission  
Washington, DC 20423

Re: Second Amendment, dated as of October 15, 1986, to the Equipment Lease Agreement, dated as of June 1, 1978, between Mellon National Leasing Company now known as Mellon Financial Services Corporation #3, as Lessor, and IteI Rail Corporation, successor in interest to IteI Corporation, Rail Division, as Lessee

Dear Ms. McGee:

On behalf of IteI Rail Corporation, the above instrument, in five (5) counterparts, is hereby submitted for filing and recording pursuant to 49 USC §11303(a), along with a check in the amount of \$10 covering the recordation fee.

Please record this Amendment under the Equipment Lease Agreement dated as of June 1, 1978, between IteI Corporation, Rail Division, and Mellon National Leasing Company, which was filed with the ICC on July 14, 1978, and given Recordation No. 9553.

The parties to the aforementioned instrument are listed below:

Mellon Financial Services Corporation #3 (Lessor)  
One Mellon Bank Center, Suite 3030  
Pittsburgh, Pennsylvania 15258

IteI Rail Corporation (Lessee)  
55 Francisco Street  
San Francisco, California 94133

This Amendment covers one hundred fifty (150) boxcars leased to the Apalachicola Northern Railroad Company ("AN"), which boxcars bear reporting marks AN 5400-5549.

Please return to the undersigned the stamped counterparts not required for filing purposes, together with the fee receipt and a letter from the ICC acknowledging this filing.

Very truly yours,

*patricia schumacker*

Patricia Schumacker  
Legal Department

:ps  
Enclosures

cc: Howard L. Chabner, Esq.  
Robert C. Kiehle  
Ginny Hanger

RECORDATION NO. 9553 Filed & Recorded

JAN 12 1987 3-4 0 PM

ICC OFFICE OF  
THE SECRETARY  
JAN 12 3 33 PM '87  
MOTOR OPERATING UNIT

INTERSTATE COMMERCE COMMISSION  
SECOND AMENDMENT ("SECOND AMENDMENT")  
DATED AS OF OCTOBER 15, 1986  
TO THE EQUIPMENT LEASE AGREEMENT (THE "1978 LEASE")  
DATED AS OF JUNE 1, 1978  
BETWEEN MELLON NATIONAL LEASING COMPANY,  
NOW KNOWN AS  
MELLON FINANCIAL SERVICES CORPORATION #3,  
AS LESSOR ("LESSOR"), AND ITEL RAIL CORPORATION,  
SUCCESSOR IN INTEREST TO ITEL CORPORATION, RAIL DIVISION,  
AS LESSEE ("LESSEE")

WHEREAS, Lessor and Lessee have executed a Fourth Amendment to the Equipment Lease Agreement between them dated as of November 23, 1976, as amended, and in consideration therefor, Lessee has agreed to amend the Equipment Lease Agreement;

NOW, THEREFORE, in consideration of the premises, Lessor and Lessee hereby agree as follows:

1. Section 14 of the 1978 Lease is hereby amended by adding a subsection (e) as follows:

"Any Default or Event of Default by Lessee under section 3 of the Equipment Lease Agreement dated as of November 23, 1976, as amended, between Lessor and Lessee, that remains uncured after the expiration of any applicable cure period."

2. Schedule C is hereby deleted and replaced with Schedule C-1, attached hereto and incorporated herein by reference. All references in the Lease to Schedule C (including the references in Section 9) are hereby deemed to refer to Schedule C-1.
3. As security for Lessee's performance of its obligations under the Lease, Lessee shall grant Lessor a security interest in any operating sublease with respect to the Cars now or from time to time in effect substantially in the form of Exhibit A attached hereto.

7-012A023

MELLON FINANCIAL  
SERVICES CORPORATION #3

No.

Date

JAN 12 1987

ITEL RAIL CORPORATION

By

Title

ARTHUR FOLSOM, JR.

SENIOR VICE PRESIDENT

Date

12/14/86

By

Title

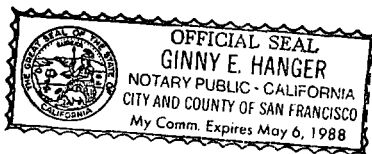
President

Date

1/6/87

STATE OF CALIFORNIA            )  
  )  
COUNTY OF SAN FRANCISCO    )       ss.

On the 6th day of January, 1986 <sup>7</sup> ~~SEAL~~ before me personally came Desmond P. Hayes to me known, who, being by me duly sworn, did depose and say that he is the President of Itel Rail Corporation, one of the parties described in and which executed the above instrument; that the execution of the above instrument was duly authorized by the board of directors of Itel Rail Corporation; and that he signed his name thereto pursuant to like authority.



Ginny E. Hanger  
Notary Public

STATE OF     Pennsylvania        )  
  )  
COUNTY OF   Allegheny         )       ss.

On the 11th day of December, 1986 before me personally came Arthur A. Folsom, Jr. to me known, who, being by me duly sworn, did depose and say that he is the Senior Vice President of Mellon Financial Services Corp. #3, one of the parties described in and which executed the above instrument; that the execution of the above instrument was duly authorized by the board of directors of Mellon Financial Services Corp. #3; and that he signed his name thereto pursuant to like authority.

John William Thompson  
Notary Public

JOHN WILLIAM THOMPSON, NOTARY PUBLIC  
PITTSBURGH, ALLEGHENY COUNTY  
MY COMMISSION EXPIRES JUNE 29, 1989  
Member, Pennsylvania Association of Notaries

## ASSIGNMENT OF LEASE

Itel Rail Corporation ("Itel Rail") hereby assigns, sets over and transfers unto Mellon Financial Services Corporation 3 ("Mellon"), as successor to Mellon National Leasing Company, for security purposes only, as security for Itel Rail's obligations under the Equipment Lease Agreement dated as of June 1, 1978, as amended, between Mellon National Leasing Company, as lessor, and Itel Rail Corporation, successor in interest to Itel Corporation, Rail Division, and to SSI Rail Corp., as lessee (the "Leveraged Lease"), all of Itel Rail's right, title and interest in and to the Lease Agreement dated as of January 25, 1977 between SSI Rail Corp., as Lessor and Apalachicola Northern Railroad Company ("AN"), as Lessee (the "AN Lease"), solely insofar as the AN Lease relates to the one hundred fifty (150) boxcars numbered AN 5400-5549 (the "Boxcars"). This assignment authorizes Mellon to sue for, collect and receive and enforce in its own name all payments and other obligations of AN subject to the Leases with respect solely to the Boxcars, except that Mellon shall not take any action unless it has notified Itel Rail that an event of default under the Leveraged Lease has occurred and is continuing and that the cure period has elapsed. Itel Rail will, from time to time, at the request of Mellon, make, execute and deliver all such further instruments of assignment, transfer and assurance and so such further acts as Mellon may reasonably request to give effect to the provisions of this assignment. This assignment shall expire upon the full payment of the rent payments in the Leveraged Lease, and Mellon shall take all action reasonably requested by Itel Rail to make clear upon public records Itel Rail's unencumbered right, title and interest to the AN Lease.

ITEL RAIL CORPORATION

Dated 1/6/87By *J. H. Hayes*  
Title President

STATE OF CALIFORNIA       )  
                                      )  
COUNTY OF SAN FRANCISCO )       ss.

On the 6th day of January, 1988<sup>7 (REV)</sup> before me personally came Desmond P. Hayes to me known, who, being by me duly sworn, did depose and say that he is the President of Itel Rail Corporation, one of the parties described in and which executed the above instrument; that the execution of the above instrument was duly authorized by the board of directors of Itel Rail Corporation; and that he signed his name thereto pursuant to like authority.



Ginny E. Hanger  
Notary Public

## Schedule C-1

<u>Casualty Occurrence</u>		<u>Casualty Value Due</u>	<u>Casualty Value</u>
<u>After</u>	<u>Before</u>	<u>on Date of Rental</u>	<u>As of % of Price</u>
<u>Payment</u>		<u>Number</u>	
0	1	1	100.4612
1	2	2	100.8725
2	3	3	101.2338
3	4	4	101.5452
4	5	5	101.8065
5	6	6	102.0179
6	7	7	102.1794
7	8	8	102.2908
8	9	9	102.3523
9	10	10	102.3638
10	11	11	102.3254
11	12	12	102.2370
12	13	13	95.6884
13	14	14	95.5000
14	15	15	95.2617
15	16	16	94.9734
16	17	17	94.6352
17	18	18	94.2470
18	19	19	93.8088
19	20	20	93.3206
20	21	21	86.3722
21	22	22	85.7841
22	23	23	85.1461
23	24	24	84.4581
24	25	25	83.7201
25	26	26	82.9321
26	27	27	82.0942
27	28	28	81.2063
28	29	29	75.2382
29	30	30	82.8581
30	31	31	81.8703
31	32	32	80.8325
32	33	33	79.7447
33	34	34	78.6070
34	35	35	77.4193
35	36	36	76.1816
36	37	37	74.8940
37	38	38	73.5563
38	39	39	72.1688
39	40	40	70.7312
40	41	41	69.2437
41	42	42	67.7062
42	43	43	66.1187
43	44	44	64.4813

## Schedule C-1

<u>Casualty Occurrence</u>		<u>Casualty Value Due</u>	
<u>After</u>	<u>Before</u>	<u>on Date of Rental</u>	<u>Casualty Value</u>
<u>Payment</u>		<u>Number</u>	<u>As of % of Price</u>
44	45	45	62.7939
45	46	46	61.0566
46	47	47	59.2692
47	48	48	57.4319
48	49	49	55.5447
49	50	50	53.6075
50	51	51	51.6203
51	52	52	49.5831
52	53	53	47.4959
53	54	54	45.3588
54	55	55	44.1718
55	56	56	40.9347
56	57	57	38.6477
57	58	58	36.3107
58	59	59	33.9238
59	60	60	31.4869
60			29.0000